

Message of the Week

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Presented by Rep. Mike Pence (R-IN)

“The non-defense, non-homeland security spending increase in President Bush’s budget is too generous.”

- While conservatives are pleased that the President proposes to devote additional resources to national security—the primary function of the federal government—the proposed 3.8% increase for other discretionary spending is overly generous, given the sluggish economy. With the need to strengthen our domestic homeland security operations and to provide our military with the resources necessary to face numerous national security threats, the FY2004 Budget should be an opportunity to reprioritize government spending.
- President Bush’s budget for fiscal year 2004 proposes total government spending of about \$2.2 trillion, a **4.2%** increase over 2003 levels. Revenues are projected to be about \$1.9 trillion—therefore creating about a \$300 billion budget deficit.
- The fastest growing major category of discretionary spending would be homeland security at 5.5%. Defense would get a 4.2% increase. The total of all other discretionary spending would grow by 3.8%.
- The Bureau of Economic Analysis in the U.S. Department of Commerce reports that the annual growth of *total* personal income nationwide was 3.0% between 2001 and 2002. During this same timeframe, *per capita* personal income grew by 3.5% (in 1996 dollars).
<http://www.bea.gov/bea/dn/nipaweb/TableViewFixed.asp?SelectedTable=27&FirstYear=1999&LastYear=2000&Freq=Qtr>
- The Congressional Budget Office projects that the Gross Domestic Product (GDP) per worker will grow by about 2.0% this year. <http://www.cbo.gov/showdoc.cfm?index=4032&sequence=1&from=0>
- So the spending increases in the White House’s budget proposal would outpace the recent growth in national income, in the average person’s income, and in the projected growth of GDP.
- Conservatives will work to reduce both domestic discretionary and mandatory spending below the President’s proposals. The President’s non-defense spending number should be seen as a ceiling.
- We need to protect America from terrorism AND from runaway deficits. We must give the military and the defenders of our homeland what they need, and rein in *everything* else to ward off further strains on the U.S. economy.
- Conservatives will help ensure that Congress makes the hard choices that are necessary.